

Title: Resource use measurement

ISSUE: This paper explores the issues associated with measuring Medicare fee-for-service physicians' use of services.

KEY POINTS: Resource use measurement is a tool that has been increasingly used by private sector purchasers as part of their cost containment and quality improvement strategies. In contrast, Medicare does not generally measure the resource use of its providers or provide that data back to physicians.

To be effective, measuring resource use must be able to accurately and fairly distinguish between providers who use more resources and those who use fewer resources (e.g., it must take account of patient complexity and use a common metric). In addition, it must encourage providers to change their practice patterns. Among the key design issues that must be addressed to achieve these goals are how to assign patient care to physicians, what type of care to measure, identifying the appropriate benchmark for comparison, and risk adjustment.

ACTION: Commissioners should review the paper and its draft recommendation and provide feedback on content and tone. The paper is the basis for a section of a March report chapter.

STAFF CONTACT: Anne Mutti (202-653-3744), Kevin Hayes (202-220-3716)